

LNF & IHCIF Calculations Illustration **- SAN CARLOS in Phoenix area -**

Given Data

- 11,779 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 23% = % Expenditures on purchased services, 77% = % expenditures in-house
- 92.7% = Cost index for purchasing health care in this geographic area
- 100.3% = Size cost index for in-house costs due to small or large size
- 100.9% = Phoenix area cost index for health status above or below average

Cost Adjustment Calculations

- \$635 per person for purchased services = $23\% * 92.7\% * \$2,980$
- \$2,302 per person for in-house services = $77\% * 100.3\% * \$2,980$
- \$2,937 per person total = \$635 (purchase) + \$2,302 (in-house)
- **\$2,965 per person total** adjusted for health status = $\$2,937 * 100.9\%$
- **\$2,220 per person net cost** = $\$2,965 - \745 Other resources (M&M&PI)

Existing Expenditures (for 11,779 users excluding wrap-around and collections)

- \$680 per person = local IHS allowance (excludes \$ for wrap-around)
- \$375 per person = expenditures elsewhere in Phoenix area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,110 per person for OU users** = $\$680 + \$375 + \$54$

LNF Calculation

- **37.4% Gross LNF** = $\$1,110$ (expenditures) / $\$2,965$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **50.0% Net LNF** = $\$1,110 / \$2,220$ net cost ($\$2,965 - \745 other)

IHCIF Allocation

- \$2,616,871 = \$ to raise LNF% from 50.0% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$91,276 Allocation** = $\$2,616,871$ needed for 60% * 3.488% IHCIF fraction

SAN CARLOS Unmet Needs

- **\$26,143,906 Net Total Need** = 11,779 users * $\$2,220$ net cost
- **\$13,074,434 Net Unmet Need** = $(100\% - 50.0\% \text{ LNF}) * 11,779 \text{ users} * \$2,220 \text{ net cost}$